

## option trade structure

From: Stacey Kaminer <sk@acerinvest.com>

To: "Foster, Victoria (LDN)" <vfoster@edfmancapital.com>,

mwhitehead@edfmancapital.com Tue, 20 Nov 2012 23:18:57 +0000

Attachments: OPTIONTRADESTRUCTUREEDF.xls (32.77 kB)

Vic,

Date:

I said I would resend this trade structure example so here it is. The same structure can apply to the swiss, Belgium, german, finland, austrailia, Canadian markets and a few more. We use a swap structure for dutch but the mechanics look the same. I will send you a blacked out version of a current Swap confirm. I will continue my investigation with Austria. Of course futures can be substituted for the LEPO but the LEPO is cleaner from the US side. I think you were going to send me a list of an belgiums coming up where you felt like you might have supply.

Best,

Stacey

CONFIDENTIAL ACER\_00013100

## 

## OPTIONTRADESTRUCTUREEDF.xls

			ODTION TO	ADE STRUC		1	1		I	
Security	Can Natl Railway		OPTION IR	ADE STRUC	IURE					
Security	Can Nati Raliway									
Sedol	2210959									
Record Date	3/12/2012									
Payable Date	3/30/2012									
All-in Rate	94.63%									
Current Price	\$78.51000									
Quantity	1,000,000									
Dividend	\$0.38000									
IN TIME FOR RECORD DATE:										
The client (US Tax Exempt under 401(a	a or k) or 501c(3)	) buys from	EDF							
1. 1,000,000 shares of CNI at a price of										
1. 1,000,000 shares of Civi at a price of	quar to the curre	iit offer.								
The client sells to EDF:										
	24 / 21 2	C# 02042	5 '.1 .	, 1 1D I	2:11 /	1 / '	) d d			
1. 10,000 CASH SETTLED CALLS v				tached Due I	Bill (or equiv	alent securit	y) that repre	sents		
the dividend and an expiration date 15	to 30 days after	record date.								
Trades settle regular way or for same da	ny cash									
	Í									
ON RECORD DATE + 15 or 30:										
EDF exercises the CALLS at a reference			onlest muiss	the elient cel	la tha ataalr				EDE on on our	t agua1
		ie current in	iarket price,	the chefit ser	IS the stock a	at the curren	market pric	e and remits to	EDF an amoun	i equai
to the Reference Price less the strike pri	ce.									
The Client delivers the Due Bill as per	the terms of the o	ption contra	ct.							
		_								
Trade settles for cash, on the same day.										
Trade settles for easil, on the same day.										
ON PAYABLE DATE:										
The client is credited with 100% of the	dividend = \$.380	00								
On Canadian shares:										
DTC credits reclaim at source.										
EDF charges the client the dividend equ	ivalent as ner D	ie Bill entitl	lement							
		uc Dili Cillili	iciiiciit.							
EDF pays Acer Investment Group \$9,19	91.00 Iee.									
									<u> </u>	
CONFIDENTIAL NOTICE										
The information shown here is priviledged a	and/or confidential	information.			_					
Acer Investment Group, LLC										

OPTIONTRADESTRUCTUREEDF.xls

			OPTION TRADE	STRUCTURE	FOR US T	RADED CA	NADIAN		
Security	Can Natl Railway								
Symbol	CNI								
Sedol	2210959								
Record Date	3/12/2012								
Payable Date	3/30/2012								
All-in Rate	94.63%								
Current Price	\$78.51000								
Quantity	1,000,000								
Dividend	\$0.38000								
511140114	40.00000								
Client Acct							Settle/		
Gilent Acct			Security		Strike	Trade	Expiration		
	Action	Quantity		Price	Price	Date	Date	Amount	Total
Record Date - 3	BUY	1,000,000	Type	\$78.51000	Price	3/7/2012	3/12/2012		Total
Record Date - 3			STOCK CASH SETTLED CALL W/DUE					(\$78,510,000)	
	SELL	10,000	BILL	\$78.51000	\$0.02043	3/7/2012	3/27/2012	\$78,510,000	
Sub-Total									\$0
			CASH SETTLED CALL W/DUE						
Record Date + 15	EXERCISE**	10,000	BILL	\$79.00000	\$0.02043		3/27/2012	(\$78,979,575)	
	SELL	1,000,000	STOCK	\$79.00000		3/27/2012	3/27/2012	\$79,000,000	
	CLEARANCE CHRG'D							(\$18,383)	
Sub-Total									\$2,043
Payable Date		1,000,000					3/30/2012	\$380,000	
	DUE BILL REDEEMED							(\$380,000)	
Sub-Total									\$0
P&L									\$2,043
EDE Tradition Asset							Settle/		
EDF Trading Acct			Security		Strike	Trade	Expiration		
	Antino	O		Daine	Price			A	Total
Basard Data 2	Action SELL	Quantity 1,000,000	<u>Type</u> STOCK	<u>Price</u> \$78.51000	FIICE	<u>Date</u> 3/7/2012	<u>Date</u> 3/12/2012	Amount \$78,510,000	<u>10tai</u>
Record Date - 3	SELL	1.000.000	510CK	\$70.51000		3///2012	3/12/2012	\$76,510,000	
			CASH SETTLED CALL W/DUE						
				\$78.51000	\$0.02043	3/7/2012	3/27/2012	(\$78,510,000)	
Sub-Total	BUY	10,000	CALL W/DUE	\$78.51000	\$0.02043	3/7/2012	3/27/2012	(\$78,510,000)	\$0
Sub-Total			CALL W/DUE BILL CASH SETTLED	\$78.51000	\$0.02043	3/7/2012	3/27/2012	(\$78,510,000)	\$0
	BUY	10,000	CALL W/DUE BILL CASH SETTLED CALL W/DUE			3/7/2012			\$0
Sub-Total  Record Date + 15	BUY  EXERCISE**	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000	\$0.02043 \$0.02043		3/27/2012	\$78,979,575	\$0
	BUY  EXERCISE** BUY	10,000	CALL W/DUE BILL CASH SETTLED CALL W/DUE					\$78,979,575 (\$79,000,000)	\$0
Record Date + 15	BUY  EXERCISE**	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012	\$78,979,575	
	BUY  EXERCISE** BUY	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012	\$78,979,575 (\$79,000,000)	
Record Date + 15	EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625%	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575)	
Record Date + 15  Sub-Total  Payable Date	BUY  EXERCISE** BUY  CLEARANCE REC'D	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383	(\$2,04
Record Date + 15 Sub-Total	EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625%	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575)	(\$2,04
Record Date + 15  Sub-Total  Payable Date	EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625%	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575)	(\$2,04
Record Date + 15  Sub-Total  Payable Date	EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625% DUE BILL REDEEMED	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575) \$380,000	(\$2,043 \$20,42
Record Date + 15  Sub-Total  Payable Date  Sub-Total	EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625% DUE BILL REDEEMED	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575) \$380,000	(\$2,04: \$20,42 (\$9,19:
Record Date + 15  Sub-Total  Payable Date	EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625% DUE BILL REDEEMED	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575) \$380,000	(\$2,04) \$20,42 (\$9,19
Record Date + 15  Sub-Total  Payable Date  Sub-Total	EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625% DUE BILL REDEEMED	10,000	CASH SETTLED CASH W/DUE BILL	\$79.00000			3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575) \$380,000	(\$2,04) \$20,42 (\$9,19
Record Date + 15  Sub-Total  Payable Date  Sub-Total	EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625% DUE BILL REDEEMED PAY ACER FEE	10,000	CALL W/DUE BILL  CASH SETTLED CALL W/DUE BILL STOCK	\$79.00000			3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575) \$380,000	(\$2,04) \$20,42 (\$9,19
Record Date + 15  Sub-Total  Payable Date  Sub-Total  P&L	BUY  EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625% DUE BILL REDEEMED  PAY ACER FEE  0 EDF upon the exercise	10,000 10,000 1,000,000 1,000,000	CALL W/DUE BILL  CASH SETTLED CALL W/DUE BILL STOCK	\$79.00000 \$79.00000	\$0.02043	3/27/2012	3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575) \$380,000	(\$2,04) \$20,42 (\$9,19
Record Date + 15  Sub-Total  Payable Date  Sub-Total  P&L  P&L  ne Client owes the dividend to	BUY  EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625% DUE BILL REDEEMED  PAY ACER FEE  0 EDF upon the exercise	10,000 10,000 1,000,000 1,000,000	CALL W/DUE BILL  CASH SETTLED CALL W/DUE BILL STOCK	\$79.00000 \$79.00000	\$0.02043	3/27/2012	3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575) \$380,000	(\$2,04) \$20,42 (\$9,19
Record Date + 15  Sub-Total  Payable Date  Sub-Total  P&L  P&L  ne Client owes the dividend to the terms of the option content to the period of the option content to the content to the content to the option content to the content to the option content to the optio	BUY  EXERCISE** BUY CLEARANCE REC'D DIV CHRG'D=94.625% DUE BILL REDEEMED  PAY ACER FEE  0 EDF upon the exercise	10,000 10,000 1,000,000 1,000,000	CALL W/DUE BILL  CASH SETTLED CALL W/DUE BILL STOCK	\$79.00000 \$79.00000	\$0.02043	3/27/2012	3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575) \$380,000	(\$2,04: \$20,42 (\$9,19:
Record Date + 15  Sub-Total  Payable Date  Sub-Total  P&L  P&L  ne Client owes the dividend to	BUY  EXERCISE** BUY  CLEARANCE REC'D  DIV CHRG'D=94.625%  DUE BILL REDEEMED  PAY ACER FEE  o EDF upon the exercise ontract a Due Bill (or equ	10,000 1,000,000 1,000,000 1,000,000	CALL W/DUE BILL  CASH SETTLED CALL W/DUE BILL STOCK  option. urity) is issued to re	\$79.00000 \$79.00000	\$0.02043	3/27/2012	3/27/2012 3/27/2012	\$78,979,575 (\$79,000,000) \$18,383 (\$359,575) \$380,000	\$0 (\$2,042) \$20,429 (\$9,191